

DOCKET NO. 2002-82-C - ORDER NO. 2002-602 ✓

IN RE:	Joint Application of OCMC, Inc. and One	)	ORDER APPROVING
	Call Communications, Inc. d/b/a Opticom for	)	ASSET TRANSFER AND
	Approval of Asset Transfer; and for Authority	)	GRANTING
	of OCMC, Inc. to Provide Interexchange and	)	CERTIFICATE TO
	Operator Services and for Modified	)	OCMC, INC. AND
	Alternative Regulation.	)	CANCELLING
		)	CERTIFICATE OF ONE
		)	CALL
		)	COMMUNICATIONS,
		)	INC.

By letter, the Commission's Executive Director instructed the Companies to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the

areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Companies complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed.

Accordingly, a hearing was held in the offices of the Commission on August 15, 2002 at 10:30 AM, with the Honorable Randy Mitchell, Vice-Chairman, presiding. The Companies were represented by Bonnie D. Shealy, Esquire. The Commission Staff was represented by F. David Butler, General Counsel. The Companies presented the testimony of Ann C. Bernard, General Counsel of the Companies.

Ms. Bernard testified that OCMC plans to offer the same direct dialed and operator assisted calling services currently being provided by One Call under its existing certification. It will offer operator and long distance services to the hospitality industry, including condominiums and payphone services providers. Ms. Bernard notes that all services are available twenty-four hours per day, seven days a week. Service is offered in connection with OCMC's interstate service. OCMC will acquire seven switches and proprietary software from Once Call. OCMC will maintain the same staff formerly employed by One Call so that the technical expertise and qualifications will remain unchanged. MCI and Qwest will continue to provide lines used in conjunction with the Companies' switches.

Ms. Bernard also notes that long distance services will be billed directly by OCMC. Billing for 0+ services will appear on the monthly statements from the local

exchange carrier. OCMC intends to adopt the tariff presently used by Opticom. Ms. Bernard states that OCMC will rely on the same highly qualified management and technical teams who served One Call, and that sufficient financial resources are available for the provision of services.

OCMC requests that the Commission regulate its long distance business service and operator service offerings in accordance with the principles and procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, which was approved for AT&T and other similarly situated companies. OCMC also realizes that alternative regulation was modified by Order No. 2001-997 in Docket No. 2000-407-C so that rate caps for operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as their toll provider were reestablished. The Order imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

OCMC is seeking an exemption from any policy that might require a carrier to maintain its financial records in conformance with USOA. OCMC presently maintains its books in accordance with GAAP, and does not possess the detailed cost data required by USOA. OCMC also specifically requests a waiver of 26 S.C. Reg. 103-610 which requires a carrier to keep all records required by the Commission's rules and regulations within the State of South Carolina. OCMC states that since its corporate offices are in Indiana, that maintaining its books and records in South Carolina would be unduly

burdensome. OCMC states that it will bear any costs associated with this Commission's inspection of its books and records.

With regard to the proposed asset transfer, Ms. Bernard stated that a group of investors and OCMC's management team created OCMC to purchase the operator services and long distance divisions of One Call. OCMC and One Call signed an asset purchase agreement in which OCMC will acquire selected assets from One Call, including switches, office equipment, leases for office space, all of the 1+ business related to the delivery of interexchange services and all of the 0+ business related to the delivery of the following operator services: collect, calling card, third party, dial-around, credit card, person-to-person and coin call. The result will be that OCMC will provide services in South Carolina for the transferred customers. If OCMC's transfer and certification application is approved by the Commission, the One Call certificate may be cancelled, according to Ms. Bernard. (One Call is an Indiana Corporation that was authorized to provide intrastate, interexchange telecommunications services and operator services in South Carolina in Docket No. 90-114-C, Order No. 91-33, on January 9, 1991.)

Ms. Bernard states that the transfer of assets will be made in a seamless fashion that will not adversely affect the provision of service to One Call's customers in South Carolina. After the transfer, the customers will be served by the same experienced and highly qualified team of telecommunications personnel at rates, terms, and conditions comparable to those currently available. OCMC will notify all 0+ and 1+ customers that OCMC will become the telecommunications provider for such customers. The transfer

will be transparent from the perspective of affected customers. OCMC will file a tariff which duplicates the services, rates, terms, and conditions as currently filed in One Call's tariff.

Finally, Ms. Bernard states a belief that approval of the transfer of assets is in the public interest, since it will increase consumer choice in telecommunications services. From the perspective of affected customers, the transfer will largely be transparent, according to Ms. Bernard.

After full consideration of the applicable law, the Companies' Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. OCMC and One Call are organized as corporations under the laws of the State of Indiana and are authorized to do business as foreign corporations in the State of South Carolina by the Secretary of State.
2. OCMC is a provider of interexchange telecommunications services and wishes to provide its services in South Carolina.
3. OCMC has the managerial, technical, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. OCMC is granted authority to provide intrastate interLATA interexchange service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services

(WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission, including operator services, which shall be offered in compliance with Commission Order Nos. 93-811 and 93-534 and all pertinent Commission and Federal Guidelines.

2. The Commission adopts a rate design for the long distance services of OCMC which is consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C.

Under the Commission approved alternative regulation, the business service offerings of OCMC including consumer card services, and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to OCMC also.

3. With regard to the interexchange residential service offerings of OCMC, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously

adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. OCMC shall not adjust its interexchange residential rates below the approved maximum level without notice to the Commission and to the public. OCMC shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2001).

5. If it has not already done so by the date of issuance of this Order, OCMC shall file its revised interexchange long distance tariff within thirty (30) days of receipt of this Order, indicating the OCMC name. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations. OCMC may adopt the One Call d/b/a Opticom tariff.

6. OCMC proposes to provide operator services in aggregator locations, OCMC shall comply with the following conditions:

- (a) For intrastate 0+ operator assisted and calling card calls originating from pay telephones outside confinement facilities and at aggregator locations, OCMC may not impose operator service charges greater than the intrastate charges then currently approved for AT&T. For the usage portion of the call, OCMC may not charge more on interLATA calls than the intrastate interLATA rates charged by AT&T Communications for interLATA calls or on intraLATA calls than the intraLATA rates charged by BellSouth Telecommunications for intraLATA calls.
- (b) OCMC is allowed to incorporate in its tariff a surcharge (property imposed fee) on operator-assisted and calling card calls not to exceed \$1.00 for calls originating from payphone (excluding pay telephones associated with inmate calling service) and from aggregator locations, only if the property owner has not added a surcharge already. That is, OCMC may not impose an additional surcharge to calls originating from pay telephones and from aggregator locations if a property owner has already imposed such a surcharge. If such a surcharge is applied by OCMC on behalf of the property owner, OCMC is directed to pay the surcharge in its entirety to the property owner. Further, if the surcharge is applied, the end user should be notified of the imposition of the surcharge. This notification should be included in the information pieces identifying OCMC as the operator service provider at that location.
- (c) OCMC is required to provide information pieces to pay telephone service providers or property owners identifying OCMC as the provider of the

operator service for authorized calls originating from the location. OCMC is required to brand all calls identifying itself as the carrier. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

- (d) Regarding the provision of operator services, OCMC shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

7. OCMC is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the Company's offering of interexchange services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

9. OCMC shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If OCMC changes underlying carriers, it shall notify the Commission in writing.

10. With regard to the origination and termination of toll calls within the same LATA, OCMC shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47

CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph four of the Stipulation and Appendix B approved by Order No. 93-462.

11. OCMC shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports can be found at the Commission's website at www.psc.state.sc.us/forms. The title of the forms which the Company shall utilize to file annual surveillance reports with the Commission is "Annual Information on South Carolina Operations for Interexchange Companies and AOS".

12. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

OCMC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The Company shall utilize the "Authorized Utility Representative Information" form which can be located at the Commission's website at www.psc.state.sc.us/forms to file the names of these representatives with the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

13. OCMC shall conduct its business in compliance with Commission decisions and Orders, both past and future.

14. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

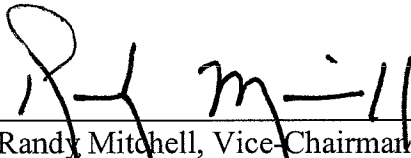
15. OCMC shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, OCMC shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings.

16. The Federal Communications Commission (FCC) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2002, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to their assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 1, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. OCMC must comply with the applicable mandates.

For complete information on compliance with this FCC and Commission requirement, go to the Commission's website at www.psc.state.sc.us/forms.

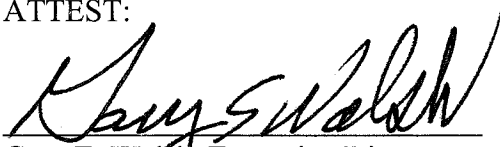
17. The requested asset transfer from One Call to OCMC is approved.
18. The Company may use the GAAP accounting system. Regulation 103-610 is hereby waived.
19. The Certificate of One Call Communications, Inc. d/b/a Opticom is hereby cancelled.
20. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Vice-Chairman

ATTEST:



Gary E. Walsh, Executive Director
(SEAL)